

November 5, 2014

RE: Public Law 102-585 2015 Pricing Updates and PPA Submission

Dear Federal Supply Schedule Manufacturer:

The following information is provided in order to assist your firm in updating its Pharmaceutical Pricing Agreement (PPA) – Addendum A and the Federal Supply Schedule (FSS) contract pricing for covered drugs. These revisions are mandated by [Section 603 of the Veterans Health Care Act of 1992, Public Law 102-585](#).

Recently, your firm received [instructions](#) from VHA Pharmacy Benefits Management Strategic Health Group (PBM) to assist you in calculating the 2015 Federal Ceiling Price (FCP) for each covered drug available under your FSS contract. This is the first step in the process; your annual NFAMP report must be completed and submitted to PBM by *November 15, 2014, prior to updating your current FSS contract*.

Request for Modification (RFM) Submission:

In order to modify your firm's FSS contract to incorporate updated pricing for covered drug (SIN 42-2A) line items, you must submit a properly prepared Request for Modification (RFM) form to our office for consideration no later than close of business *December 3, 2014*. If your firm maintains dual pricelists, you will need to update both Big 4 and OGA pricing.

Changes to the price proposal spreadsheet received after December 3, 2014 or modification requests that have been submitted with missing and/or inaccurate information may result in a modification effective date later than January 1, 2015. Your firm may be required to honor the updated 2015 FCP calculations if these recalculations result in a lower price than currently awarded under the FSS contract.

Public Law Core Team

This year, we will continue to operate under a separate and distinct PL Core Team. This team, led by Joshua Ladwig, Senior Contract Specialist, will work up all PL related modification requests and facilitate issues such as 9/30/14 FSS pricing disputes, etc. Although your company has a permanent contract specialist (PCS), your PCS might not be the contract specialist assigned to work up your company's PL pricing update modification. If this is the case, then please do not correspond with your PCS about PL issues. The PCS will manage all other contract issues or concerns. Please send any PL related questions to AmmhinPLCoreTeam@va.gov.

Email Submission

In addition, we will also continue the submission route for Public Law RFMs and related documentation that was established four years ago. Manufacturers of covered drugs will need to continue to submit the Public Law RFMs and related documentation to VAFSSMODS@va.gov. Copy your assigned Public Law contract specialist.

At this time, the email address above is to be used only for Public Law RFMs. To ensure receipt of the RFM, the Subject Line must have the following identifying information:

RFM-Contract Number-PL 2015, (e.g. RFM-V797P/D-5555X-PL2015)

Continue to send all non-PL RFMs to the [FSS Help Desk](#).

Database Update:

Similar to the last four years, we will be employing an electronic method to update our databases using pre-populated Microsoft Excel price proposal spreadsheets. These pre-populated spreadsheets will also be utilized to prepare the actual 2015 Public Law pricing update modifications to FSS contracts with covered drugs on them. After PBM calculates the 2015 FCPs for the covered drug line items on your FSS contract that are subject to the annual pricing update process and under separate cover, you will receive an email from your assigned Public Law contract specialist. This email will include a detailed discussion of the 2015 Public Law update process, and include your firm's 2015 PL price proposal spreadsheet, instructions for completing the spreadsheet, a sample completed spreadsheet, and the Public Law 102-585 2015 Pricing Update RFM package. *The spreadsheet will contain those covered drug products and related pricing information current as of November 15, 2014.*

The RFM form used for the PL Process is different from the standard forms we accept during January through October. *Only the prescribed PL forms will be accepted.* We ask that you take this opportunity to review the instructions, required PL forms, and sample pre-populated spreadsheet prior to submitting your PL RFM package. The PL RFM package is available [online](#).

Addendum A:

Enclosed is a copy of the 2015 Pharmaceutical Pricing Agreement (PPA) Addendum to be completed and returned with your submitted RFM to your assigned PL contract specialist **as soon as possible, but not later than December 3, 2014**. This document should reflect only the established 2015 FCP for each covered drug line item, without inclusion of the Industrial Funding Fee (IFF). The authorized official who originally signed your company's PPA (or an authorized successor) must complete and sign the new Addendum A to the PPA for 2015.

You must provide an original hard copy or .pdf copy with signature to our office. If additional space is needed, provide an attachment using the same format as the Addendum A Form.

Temporary Price Reductions to be effective January 1, 2015

If your firm wishes to offer new voluntary, temporary price reduction(s)¹ for certain product items that are to be limited to select eligible users and/or delete products from your contract with an effective date of January 1, 2015, you must:

1. Complete and submit a separate price decrease and/or product deletion modification request form and price proposal spreadsheet; and
2. State your intent to offer a new temporary price reduction and/or product deletion in the PL 102-585 submission email

We will not accept requests for new voluntary, temporary price reductions or product deletions submitted using the Public Law 102-585 2015 Pricing Update RFM package documents. These separate modification actions should be submitted with PL pricing updates but will be completed as separate modification requests. Access the applicable 65IB RFM forms online: <http://www.va.gov/oal/business/fss/modforms.asp>.

Product Deletions

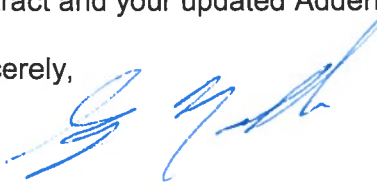
We will only agree to deleted covered drugs from your FSS contract when all stock of the product has been completely depleted from inventory and the Government prime vendor distribution network. We will no longer delete products based on an expected expiration dating or anticipated depletion date. There must be zero products available in the aforementioned supply chain before a product deletion modification request will be considered.

To reiterate, the properly-completed 2015 PL pricing update RFM and related documentation must be submitted to our new portal: VAFSSMODs@va.gov by *December 3, 2014* to guarantee an effective date of January 1, 2015.

If you have any questions or need additional information, please contact your assigned Public Law contract specialist at (708) 786-5180.

We appreciate your cooperation in providing your request(s) to modify your current FSS contract and your updated Addendum A for the year 2015.

Sincerely,



Gregory L. Madden
Chief, Contracting Branch
Federal Supply Schedule Service (003A4B)



Enclosures: Pharmaceutical Pricing Agreement Addendum A 2015 Annual

¹ The terms *Temporary* and *Permanent* as used in this form do not refer to the FCP lifecycles provisional, temporary, or permanent.